

**Senate Bill 1849 (Karnette)**  
**Campaign and Lobbyist Reporting**  
**Version:** Amended, April 27, 2004  
**Status:** In Assembly

---

**Executive Summary**

SB 1849 would lower the monetary thresholds which trigger electronic filing of reports by certain state candidates, committees, slate mailer organizations, and lobbying entities. The bill would also require lobbying reports that are currently filed quarterly to instead be filed monthly.

**Recommendation: Oppose**

Although SB 1849 would increase public access to reports in a manner consistent with the purposes of the Act, staff feels that this bill is not the appropriate vehicle for lowering electronic filing thresholds and remains uncertain of the need for monthly lobbyist reporting. As of the date of this analysis, the Secretary of State was discussing amendments to change the electronic filing threshold amount to \$25,000 and to remove the changes to lobbyist reporting. Staff recommends an oppose position and also seeks the Commission's guidance on the alternate version.

---

**Background**

Beginning with the primary election in 2000, certain state candidates, state committees, slate mailer organizations, and lobbying entities are required to file electronic reports with the Secretary of State. Section 84605 of the Act determines the threshold amount of contributions or expenditures which trigger online or electronic filing requirements.

From 1975 through 1979, lobbying reports were required to be filed on a monthly basis. In 1979, the Act was amended to require quarterly disclosure. At the time, the purpose of the amendment was to reduce paperwork. Section 86117 currently requires that lobbyists file the reports required by section 86114 and 86116 during the month following each calendar quarter.

At its April 2004 meeting, the Commission voted to oppose SB 1849. The bill has since been amended to include the proposed changes in the threshold amount for online or electronic filing.

**Analysis**

Online or Electronic Filing Thresholds

SB 1849 would amend Section 84605 to lower the monetary thresholds which trigger online or electronic filing requirements. Following are the current and proposed threshold amounts:

	<u><b>Current</b></u>	<u><b>Under SB 1849</b></u>
State candidates and ballot measure committees	\$50,000	\$5,000
Major donor committees	\$50,000	\$10,000
General purpose committees	\$50,000	\$5,000
Slate mailer organization	\$50,000	\$5,000
Lobbyists, lobbying firms, and lobbyist employers	\$5,000 (a quarter)	\$1,000 (a month)

*Staff Concerns*

By lowering the threshold amount, SB 1849 would increase the number of candidates and committees required to file online or electronically. Although SB 1849 would increase the public's access to campaign filings and other reports in a manner consistent with the purposes of the Act, staff feels that this bill is not the appropriate mechanism for lowering filing thresholds.

Prior to any change, staff recommends that all parties (Secretary of State, FPPC, and the regulated community) meet to discuss the current electronic filing system and to also review the benefits and considerations associated with lowering the threshold. In particular, staff would urge consideration of how smaller candidates and committees may be disproportionately impacted by lower thresholds. Although there is free filing software for many reports, filers wishing to use a more sophisticated system could incur increased electronic filing and personnel costs.

Lobbying Disclosure

SB 1849 would also modify the timeframe for filing periodic lobbying reports. The bill would amend section 86117 and change the schedule for reports filed by lobbying firms and lobbyist employers. Instead of the current quarterly schedule, lobbyists would be required to file certain reports within 10 days following each calendar month of a biennial legislative session.

*Staff Concerns*

In a previous analysis of SB 1849, staff raised concerns regarding the increased workload (both paper and electronic reports) that would result from a monthly filing schedule for lobbyists. Until paper copies are no longer needed or required, this change would triple the amount of paper filed with the Secretary of State. Filers will also triple their electronic filing costs and could incur increased personnel costs as well.